

# 2003

## JOBS AND INVESTMENT TAX CREDIT

### WORKSHEET INSTRUCTIONS

This credit is based on the qualified federal investment credit as it existed in IRC §38(b)(1), as of December 31, 1985 that is directly and solely attributable to a qualified investment in Maine. A qualified investment generally consists of new or used tangible property and tangible personal property that is depreciable and that is used as an integral part of manufacturing, production, or extraction, or property that is related to furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services. Other property such as elevators and escalators, agricultural structures, and certain rehabilitated property, timber property and storage facilities may also be considered qualified investments.

Public utilities may not claim this credit. Retail facilities may not claim this credit unless it can be shown that the investment will not adversely affect existing businesses in Maine.

For purposes of the Maine credit, a qualified investment of at least \$5 million must be made attributable to new or used property located in Maine. Used property is defined as property originally placed in service by the taxpayer outside Maine. The basis for used property placed in service prior to January 1, 1997 is the original cost. For used property placed in service on or after January 1, 1997, the basis is the adjusted basis (using straight-line depreciation) to account for the period of time the property was used outside Maine.

The qualified federal credit is equal to a percentage of the qualified federal investment, the rate dependent on the type of property placed into service. Generally, three federal rates apply: the regular percentage (10%), the energy percentage (from the federal table), and the rehabilitation percentage (from federal table).

To be eligible to claim this credit, a taxpayer must add at least 100 new jobs within two years of the qualified investment. The new jobs must: have a new jobs credit base of at least \$700,000 for the taxable year or for either of the next two calendar years and, for jobs created between 8/1/98 and 10/1/01, be covered by a retirement program, provide group health insurance and have wages higher than the average per capita wages in the labor market area where the jobs are located.

The Maine credit is limited to the lesser of \$500,000 or the tax liability of the taxpayer. Any unused credit amounts may be carried over for an additional 6 years for a maximum credit of \$3.5 million. Recapture provisions apply for qualified investments disposed of prior to the end of its useful life. Special provisions apply to corporations that are members of an affiliated-unitary group. Businesses cannot receive both this credit and benefits from the Employment tax Increment Financing Program, 36 M.R.S.A. §§6751-61, in the same tax year.

In the case of passthrough entities (partnerships, LLCs, S corporations, trusts, etc.), the partners, members, stockholders, beneficiaries, etc., are allowed a credit in proportion to their respective interest in these entities. Attach a schedule showing the credit generated by the passthrough entity and the assignment/distribution to each partner, shareholder, beneficiary, etc. Include the name, address, and federal ID number of the passthrough entity on the schedule and the name and SSN/EIN of each partner, shareholder, beneficiary, etc.

#### SPECIFIC LINE INSTRUCTIONS

Please enter the taxpayer name and employer identification ("EIN") or social security number ("SSN").

##### Part 1

- Line 1. **Qualified Investment.** Enter the federal qualified investment made during the taxable year attributable to property located in Maine. Must be at least \$5,000,000. If no qualified investment was made or the investment was less than \$5,000,000, enter 0. See general instructions above for a description of property constituting a qualified investment.
- Line 2. The **qualified federal credit** is determined by application of the IRC of 1954 as of December 31, 1985, Sections 38, 46 and 48. The amount entered on this line must be attributable to property (qualified investment) located in Maine. In addition, the taxpayer must meet the criteria contained in Part 2 in order to claim a credit amount on this line. **Attach a schedule itemizing the qualified investment by property type and applicable federal percentage for purposes of the qualified federal investment credit as it existed in the IRC of 1954, §38(b)(1), as of December 31, 1985. Indicate whether the property is new or used when placed into service in Maine. For used property, attach a schedule showing depreciation for use of the property outside Maine.**
- Line 3. **Carryover from prior year.** The carryover amount is the portion of the available credit not taken last year because it either exceeded \$500,000 or the tax liability of the taxpayer. The carryover period is limited to 6 years. Enter the allowable carryforward amount on this line. Provide a schedule showing your entry on this line.
- Line 4. **Total available Credit.** The available credit is limited to the tax liability of the taxpayer. For taxable corporations, this limitation is applied on Form 1120ME, Schedule C. For individuals, the limitation is applied on Form 1040ME, Schedule A. Any unused credit amount resulting from this limitation or the \$500,000 limitation may be carried forward for up to 6 years, except that in no event may a credit (including carryover) relating to a qualified investment be claimed for more than 7 years.

##### Part 2

Complete Part 2A to verify that 100 new jobs, with a credit base of at least \$700,000, were created relative to the qualified investment on line 1. If line 10 is not at least \$700,000, you are not eligible to take the credit this year but may qualify if the new jobs credit base requirement is met in 2004 or 2005. (Note: Adjustments to tax years following 1999 need to be made for unemployment contribution wages. This is due to an increase in the amount of unemployment taxable wages from \$7,000 to \$12,000 in years following 1999. To compensate for this increase, multiply the unemployment contribution wages for years following 1999 by 7/12 (0.5833)).

Complete Part 2B to show that the 100 new jobs relative to the qualified investment on line 1 were created within 2 years of the date that the qualified investment was placed in service in Maine. Complete line 12 to show that jobs created between 8/1/98 and 10/01/01 have group health insurance, are covered by a qualified retirement plan, and are paid wages higher than the average per capita wages in the labor market area of employment.



**JOBS AND INVESTMENT TAX CREDIT  
WORKSHEET For Tax Year 2003  
36 M.R.S.A. § 5215**

TAXPAYER NAME: \_\_\_\_\_ EIN/SSN: \_\_\_\_\_

**Note: Owners of passthrough entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Also, please provide name and ID number of the passthrough entity on the lines below.**

NAME OF PASSTHROUGH ENTITY

EIN/SSN

**Part 1**

1. **2003 qualified investment** attributable to property located in Maine  
(must be at least \$5,000,000) ..... \_\_\_\_\_
2. **2003 qualified federal credit** (See instructions. The taxpayer must meet the criteria in Parts  
2A & 2B below in order to claim a credit amount on this line.) ..... \_\_\_\_\_
3. Carryover from prior years (see instructions) ..... \_\_\_\_\_
4. Total available credit (add lines 2 and 3). Do not enter more than \$500,000.  
Enter here and on Form 1120ME, Schedule C, line 29b, or Form 1040ME, Schedule A, line 14 ..... \_\_\_\_\_

**VERIFICATION OF JOB CREATION FOR INVESTMENT IN 2003 (See instructions)**

**Part 2A**

5. 2000 unemployment contribution wages \_\_\_\_\_ X .5833 ..... \_\_\_\_\_
6. 2001 unemployment contribution wages \_\_\_\_\_ X .5833 ..... \_\_\_\_\_
7. 2002 unemployment contribution wages \_\_\_\_\_ X .5833 ..... \_\_\_\_\_
8. Enter greatest of line 5, 6 or 7 .....
9. 2003 unemployment contribution wages \_\_\_\_\_ X .5833 ..... \_\_\_\_\_
10. New jobs credit base. Subtract line 8 from line 9 (You do not qualify for the credit if less than  
\$700,000) ..... \_\_\_\_\_

**Part 2B**

11. Date qualified investment placed in service in Maine ..... \_\_\_\_\_
12. Were there at least 100 new jobs created within 2 years of the date on line 11? ..... Yes ☐ No ☐  
If so, as of what date? ..... \_\_\_\_\_

**Note: jobs created between 8/1/98 and 10/1/01 must:**

- a. have group health insurance coverage; ..... Yes ☐ No ☐
- b. be covered by a retirement program subject to the Employee Retirement Income Security Act  
of 1974 29 US Code §101-1461; ..... Yes ☐ No ☐
- c. be paid higher than the average per capita wages in the labor market area of the employment. Yes ☐ No ☐